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California Housing Loan Insurance Fund A+ Rating Affirmed by S & P

SACRAMENTO, June 12, 2003 –Standard & Poor's Rating Service has affirmed its "A+" counterparty credit and financial strength ratings on the California Housing Loan Insurance Fund (the Insurance Fund).

The California Housing Finance Agency (CalHFA) is the administrator of the Insurance Fund, which was established to facilitate access to homeownership in California for people who have difficulty qualifying for a mortgage loan. CalHFA's target market includes individuals who have low to moderate income but who perform vital jobs in high cost areas.

"This affirmation of our A+ rating along with the infusion of \$85 million made available through Proposition 46, the Housing and Emergency Shelter Trust Act passed by voters in November 2002, will enable us to substantially expand our Mortgage Insurance volume," said Theresa Parker, Executive Director of CalHFA. Additionally, Ms. Parker indicated, "The rating by S & P and the recent insurance and administrative services agreement between CalHFA and General Electric Mortgage Insurance Corp. ('AAA' financial strength rating) will enable CalHFA to develop innovative mortgage insurance products to meet California's growing affordable housing needs."

CalHFA was chartered in 1975 to meet the housing needs of low to moderate income Californians and assist them to achieve the dream of safe, affordable and decent housing. Fifty-nine percent of all CalHFA first-time homebuyer loans are made to borrowers with incomes of 80% or less of the median income.

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Additional information on the full complement of CalHFA programs can be obtained by calling 1.800.789.2432 or visiting the web site at www.calhfa.ca.gov. where you can register to receive CalHFA information electronically.

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